

**ELECTRONICALLY FILED
NOVEMBER 21, 2006**

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Counsel for the Official Committee Of Equity Security Holders
of USA Capital First Trust Deed Fund, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:) BK-S-06-10725-LBR
USA COMMERCIAL MORTGAGE COMPANY,) Chapter 11
Debtor.)

In re:) BK-S-06-10726-LBR
USA CAPITAL REALTY ADVISORS, LLC,) Chapter 11
Debtor.)

In re:) BK-S-06-10727-LBR
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,) Chapter 11
Debtor.)

In re:) BK-S-06-10728-LBR
USA CAPITAL FIRST TRUST DEED FUND, LLC,) Chapter 11
Debtor.)

In re:) BK-S-06-10729-LBR
USA SECURITIES, LLC,) Chapter 11
Debtor.)

Affects)

☒ All Debtors)

☐ USA Commercial Mortgage Co.)

☐ USA Securities, LLC)

☐ USA Capital Realty Advisors, LLC)

☐ USA Capital Diversified Trust Deed)

☐ USA First Trust Deed Fund, LLC)

Date: OST REQUESTED
Time: OST REQUESTED

**DECLARATION OF CANDACE C. CARLYON, ESQ. IN SUPPORT OF APPLICATION FOR
ORDER SHORTENING TIME ON JOINT MOTION OF THE OFFICIAL COMMITTEES TO
APPROVE DISTRIBUTION OF SUPPLEMENTAL SOLICITATION INFORMATION AND
FOR SOLICITATION INFORMATION
TO BE FILED UNDER SEAL**

1 STATE OF NEVADA)
2) ss.
3 COUNTY OF CLARK)

4 Candace C. Carlyon, Esq., first being duly sworn according to law, hereby deposes,
5 swears and states:

6 1. I am counsel of record for The Official Committee of Equity Security Holders of
7 USA Capital First Trust Deed Fund, LLC (the "FTDF Committee") in the above captioned
8 matter.

9 2. I make this affidavit in support of the Application for Order Shortening Time on
10 the Joint Motion of the Official Committees to Approve Distribution of Supplemental
11 Solicitation Information and for Solicitation Information to be Filed Under Seal (the
12 "Application").
13

14 3. It has come to the Official Committees' attention that a ten page solicitation letter
15 (the "Unauthorized Solicitation") containing inaccuracies has been distributed to numerous
16 creditors or investors of these estates.

17 4. By the Joint Motion, the Official Committees are seeking permission to distribute
18 a supplemental solicitation in response to the Unauthorized Solicitation.
19

20 5. The Committees further request that it be permitted to file a copy of the
21 Unauthorized Solicitation under seal pursuant to Fed. R. Bankr. P. 9018 and Local Rule 9018, in
22 order apprise the Court of the content, while avoiding additional transmission of the
23 Unauthorized Solicitation.

24 6. The Committees further request that the Court approve service of the Motion and
25 related documents to be completed by any reasonable method available, including email,
26 facsimile or overnight delivery, in order to insure the most expeditious service possible under the
27 circumstances.
28

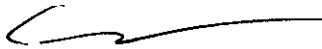
1 7. Objections to the confirmation of the Plan are due on December 11, 2006, and
2 ballots are due on December 11, 2006 by 4:00 p.m. The hearing on confirmation of the Plan is
3 scheduled for December 19, 2006.

4 8. The next omnibus hearing date in this case is November 28, 2006 at 9:30 a.m.
5 Only one minor matter is currently set on that calendar. Although the intervening holiday leaves
6 little time for notice, the importance of providing the Supplemental Solicitation materials as
7 quickly as possible in order to prevent a potential derailing of the confirmation process makes
8 this an extreme circumstance warranting such shortened time.

9
10 9. Alternatively, it is requested that the Court set the hearing for the week of
11 November 28, 2006 on the earliest date possible.

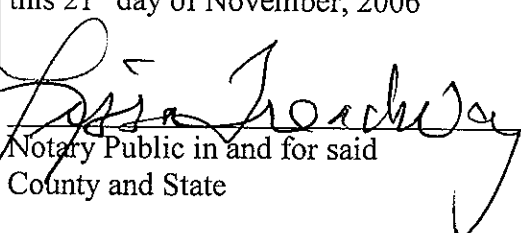
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13 10. For the above reasons, the Official Committees respectfully requests that the
14 Court set the hearing on the Motion and related documents on shortened time.

15 DATED this 21st day of November, 2006.

16
17 

18 CANDACE C. CARLYON, ESQ.

19 Subscribed and sworn to before me
20 this 21st day of November, 2006

21 
22 Notary Public in and for said
County and State

